

Snell & Wilmer
L.L.P.
LAW OFFICES

15 West South Temple, Suite 1200
Gateway Tower West
Salt Lake City, Utah 84101
(801) 257-1900
Fax: (801) 257-1800
www.swlaw.com

Denise A. Dragoo (801) 257-1998
ddragoo@swlaw.com

May 4, 2007
HAND DELIVERED

SALT LAKE CITY, UTAH
PHOENIX, ARIZONA
TUCSON, ARIZONA
IRVINE, CALIFORNIA
DENVER, COLORADO
LAS VEGAS, NEVADA

Ms. Pamela Grubaugh-Littig
Utah Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, Utah 84114

Incoming
C/007/013 OK

RE: Lila Canyon Extension, Horse Canyon Mine, C/007/013

Dear Ms. Grubaugh-Littig:

On behalf of UtahAmerican Energy, Inc. ("UEI"), we hereby submit the following information in response to Director Baza's letter dated May 2, 2007, notifying UEI of its permit application approval:

1. A performance bond in accordance with R645-301-800; and
2. Required updates regarding the ownership and control and compliance information as set out in R645-301-112.900 and R645-301-113.400 and as detailed on "List 3" attached to the Division's decision letter dated January 19, 2007.

In addition, we are providing Parts "A" and "B" for inclusion in the Chapter 1 text, a copy of the bonding increase to be added to Chapter 8, Appendix 8-3, a new Appendix 1-1 regarding ownership and control, accompanied by a Secretary's Certificate, a new Appendix 1-2 regarding current and previous mining permits, a new Appendix 1-3 with updated violation history, a new confidential binder to replace the Division's binder, Part A, and a new Appendix XI and XII to the confidential binder, Part A. Also enclosed are Forms C-1 and C-2 signed by Jay Marshall on behalf of UtahAmerican Energy, Inc.

We appreciate your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:441511
Enclosures
cc: Jay Marshall
Bruce Hill

File in:
C/007/013, 2007, Incoming
Refer to:
☒ Confidential
☐ Shelf
☒ Expandable
Date 5/4/07 For additional information

RECEIVED

MAY 04 2007

DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT PROCESSING

Permit Change <input type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: ACT/007/013
Title of Proposal: Horse Canyon Mine - Lila Canyon Extension - 07-006						Mine: Horse Canyon
						Permittee: UtahAmerican Energy, Inc.

Description, include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? acres Disturbed Area? acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO #
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV #
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

X Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Signed: R. J. Marshall Project Manager
Date: 5/3/07

Subscribed and sworn to before me this 3rd day of May, 2007

Julie G. McKenzie
Notary Public
10-19-2010

My Commission Expires
Attest: STATE OF UT
COUNTY OF SALT LAKE



NOTARY PUBLIC
JULIE G. MCKENZIE
15 W. South Temple, Ste 1200
Salt Lake City, Utah 84101
My Commission Expires
October 19, 2010
STATE OF UTAH

Received by Oil, Gas & Mining

RECEIVED

MAY 04 2007

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Horse Canyon Mine - Lila Canyon Extension - 07-006

Permittee: UtahAmerican Energy, Inc.

[illegible]

DIV. OF OIL, GAS & MINING

Horse Canyon Mine - Lila Canyon Extension - 07-006 (Confidential)

Mine: Horse Canyon

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

[illegible]

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

Horse Canyon Mine - Lila Canyon Extension - 07-006 (Confidential)

Mine: Horse Canyon

Permittee: UtahAmerican Energy, Inc.

☐ ADD ☐ REPLACE ☐ REMOVE **New Confidential Binder to Replace DOGM's Misplaced Binder**

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?